
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 8.18.2009

The Washington Post: "Unemployment Spike Compounds Foreclosure Crisis ... The country's growing unemployment is overtaking subprime mortgages as the main driver of foreclosures, according to bankers and economists, threatening to send even higher the number of borrowers who will lose their homes and making the foreclosure crisis far more complicated to unwind."

The Washington Post: "Credit Card Firms Face New Curbs This Week ... The first phase of the landmark credit card legislation signed by President Obama in May will take effect this week, forcing card issuers to give consumers more time to pay their bills and to consider interest rate increases."

The Washington Post: "SEC Delays Action on Restricting Short Sales ... The Securities and Exchange Commission on Monday delayed a decision on whether to put in place new measures to limit short-selling stocks, underscoring the difficulty of pursuing new financial regulations."

The Washington Post: "U.S. Will Extend Lending Program ... The Federal Reserve and the Treasury Department said Monday that they will extend a key lending program aimed at freeing up credit including loans to build offices, apartment buildings and other types of commercial real estate."

Wall Street Journal: "CIT Loss Narrows; Tender Succeeds ... CIT Group Inc. posted a \$1.62 billion quarterly loss from continuing operations as the lender borrowed funds at a higher rate than it loaned them out and squirreled away reserves to account for future losses."

Wall Street Journal: "Home Prices: There's No Quick Recovery Ahead ... So, is our long national nightmare over? Has the housing market finally hit bottom?"

Wall Street Journal: "Banks Keep Tightening Loan Standards ... Banks continued to tighten lending standards to businesses and households, but there are hints that the credit crisis is beginning to ease, according to the Federal Reserve's periodic survey of banks released Monday."

Wall Street Journal: "Benmosche AIG Salary: \$7 Million ... Incoming American International Group Inc. President and Chief Executive Robert Benmosche will get an annual salary of \$7 million plus long-term incentive awards of as much as \$3.5 million a year."

NY Times: "Tax Bills Put Pressure on Struggling Homeowners ... Hard times are causing more homeowners to fall behind on their property taxes. But in thousands of cases, they are not responsible to their local governments, but to private companies that charge double-digit interest and thousands of dollars in service fees."

NY Times: "S.E.C. Floats a Short-Selling Proposal ... The Securities and Exchange Commission, after months of considering what to do about short-selling, came up with a new idea on Monday that could make it virtually impossible to place an order to sell stock short and be sure it would be executed quickly."

LA Times: "Fewer banks tightened credit standards, Fed reports ... Fewer banks are tightening their lending standards, but credit constraints on U.S. businesses and consumers aren't likely to let up before the middle of next year."

LA Times: "Financing your firm with a credit card? Bad idea ... Think twice before slapping down that credit card to cover costs at your new business."

USA Today: "Key lender CIT posts \$1.68B loss, threatens bankruptcy ... Commercial lender CIT Group said Monday in a regulatory filing that it lost \$1.68 billion in the second quarter, and again warned it might have to file for bankruptcy protection if it fails to restructure its business."

USA Today: "Bank lending expected to remain tight in 2010 ... The Federal Reserve said Monday that most banks expect their lending to remain tight through the second half of next year, with the exception of mortgage standards, which already are loosening a bit."

The Washington Times: "Fed extends consumer, small business loan program ... The Federal Reserve has extended the length of a program intended to spur lending to consumers and small businesses at lower rates, but the central bank said it had no plans to expand the types of loans being made."

Barron's: "Still Exiled on Main Street ... While money and bond markets recover, Fed finds banks continue to tighten credit."

Reuter's: "SEC review of AIG probed disclosure "inconsistencies ... The adequacy of AIG's disclosure on derivatives that drove it to the edge of collapse was questioned by regulators months before the insurer's federal bailout last September, according to newly released correspondence."